

FILED**MAR 09 2022** ^{BC}U.S. BANKRUPTCY COURT
NORTHERN DISTRICT OF CALIFORNIAVictoria Maguire <~~Victoria.Maguire@pfi.com~~>**Re. Pfi case #20-30604**

1 message

~~V. Maguire~~
~~PO: Victoria Maguire~~

Tue, Mar 8, 2022 at 9:57 AM

Honorable judge Hannah I. Blumestiel
450 golden gate ave.
Mailbox 36099
San Francisco CA
91402

Dear your honor,

I am writing to you like many other investors out of desperation for you to please do whatever is in your power to mitigate these attorney fees all across the board.

I'm left here wondering what forensic accounting would have cost if each side had their own forensic accounting? Would it be 14 million dollars? Would there be no substance report besides a declaration and a few pieces of paper saying what a netted claim is ? Would it have included a subordinate claim amount ?

My other question I'm left wondering is what this case would have cost with just using the US trustee that is who put together our UCC group made up of all investor groups. How long would that have taken would the outcome be similar or better for victims ?

As part of the investor community we have not heard from the PFI trustee the beloved Michael Goldberg of Ponzi, we were told there would be third-party litigation however it seems whatever third-party litigation is happening is no part of the trust. We've never heard what the amount was paid out to all the victims what amount was paid out to all the banks in a clear easy to understand way than to go through all your thousands and thousands of court documents.

I can even recall being on zoom calls after zoom calls and having Debra grassgreen deliberately telling people not to go or listen to any Court proceedings in the bankruptcy court luckily Mr Ori Katz, was also on that call and said no we do have a right to be heard and listen into the court proceedings. The zoom calls broke my heart looking through the pictures of people that are so elderly falling asleep not knowing what is to be said just going along with the hive mentality that had grew, and grew ...

I am pleading with you to do whatever is in your power to please mitigate these fees if there's any way you can give across the board discount maybe like the one that they gave claw back victims after tricking them into voting for their plan or the 36 cents or 10 cents on the dollar that other people have received.

I wanted to send you a little bit about the Federal indictment that happened in federal court where ken Casey's right hand man Lewis Wallace was convicted. Both sides wanted only 8 years of a sentence but the judge used her power to help serve the victims of all these crimes that these people have all committed against so many, homeless , sleepless nights PTSD , finically ruined, victims...there's still never been a actual account of how many victims there were involved in this case , no one has been able to answer that simple question.

Should this have been a chapter 7 case ? Instead push into chapter 11 ? Well it seems pretty clear that this was a well laid out plan the debtor ken Casey's wife went right to the SEC two weeks after his death that always did not sit well. And then months later Eric Sternberg her attorney who got us our first cro Michael Hogan they magically fine millions of dollars in gold and give it to the FBI and still no one knows where it's at.

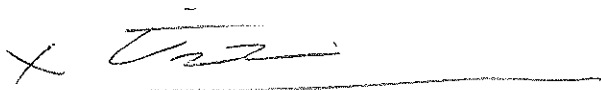
All while they ask your court permission to destroy evidence and not give renters there deposit ... Seems more people are being victimized every day in this case.

Please stop the cycle.

Please I beg you do whatever in your power to help us victims.

Thank you for your consideration on the final fees for all professional involved in this case .

Victoria Maguire
Pfi investment
890 38th Ave
Santa Cruz CA 95062

A handwritten signature in black ink, appearing to read 'Victoria Maguire', is written over a horizontal line. To the left of the signature is a large 'X' mark.

1 certainly can contribute. Whether it's to Parkinson's, whether
2 it's to pancreatic cancer. In one instance, the victim's wife
3 didn't want to tell her husband, and shouldered the whole
4 burden herself because of that, but didn't want his last days
5 to be clouded by knowing what had happened.

6 So this is a magnitude of life-destroying repercussions.
7 And I don't think the victims are going to be made anywhere
8 near whole. And if they do recover something, it's not going
9 to be enough to put them back to where their lives were. It
10 just can't be. I don't care how hard Mr. Wallach would try
11 help with that. It can't be done. It's broken, and you just
12 can't put the pieces back.

13 They are not first in line in the bankruptcy. There're
14 going to be secured creditors who are going to take first
15 place. I don't know how many millions of dollars they
16 represent. So that however much money is recovered and put in
17 the bankruptcy, these victims are not going to be first.

18 In the same light, I can't give Mr. Wallach a death
19 sentence. All right? People are saying essentially he should
20 get the maximum term. And the chances of him really living out
21 even his current life expectancy in prison is going to be a
22 harder thing, because he will not get the high level of medical
23 care, in all likelihood, that he's getting now. They do have
24 good medical facilities. And they do their best.

25 So he may not go to what some of you may have called ---

1 thought: Should there be a different sentence? Should it be,
2 if not eight years, a little more than eight years? But in
3 this instance, I feel that it has to be a longer sentence. And
4 so that is what I'm going to impose.

5 And pursuant to the sentencing guidelines and pursuant to
6 the Sentencing Reform Act of 1984, it's the judgment of the
7 Court in this case that the defendant, Lewis Wallach, be
8 sentenced to a term that is the equivalent of 12 years. I'm
9 not looking at the seven months in the range that we were
10 talking about. And 12 years is 144 months. And that is the
11 sentence.

12 He will be on supervised release when he gets out, and he
13 has to report to the closest Probation Office upon his release,
14 U.S. Probation Office. He will be on supervised release for a
15 term of three years. The sentence is on both counts to start
16 with, and the supervised release is also running concurrently.

17 And as indicated, he has to report within 72 hours to the
18 nearest U.S. Probation office.

19 He will have to submit to two periodic drug tests, along
20 with an original drug test, within 15 days of his release.

21 He is to pay any restitution and special assessment that's
22 imposed by the Court. And I will continue the matter to
23 determine restitution as best as I can.

24 He's not to open any new lines of credit or accrue new
25 debt without permission of the probation officer.

1 gives significant credit for cooperation when that cooperation
2 results in the conviction of another party. We didn't have
3 that opportunity here.

4 The government is not here saying that Mr. Wallach led us
5 to convict another person, including Mr. Casey. If Mr. Casey
6 had been alive, that might be the case. That's not the type of
7 cooperation we're talking about here.

8 THE COURT: Okay. Here is's another question. All
9 right. We've heard from people who have advised the Court
10 that they, out of their own pocket, on top of what they've
11 already lost, have had to expend funds to try to find the
12 money, and try to present a legal case with an effort to
13 collection.

14 What has the U.S. Attorney done, or any other government
15 entity, to locate the money and try to put together what they
16 say they had to hire private lawyers and accountants to do?

17 MR. FARNHAM: Well, I'll talk about what the U.S.
18 Attorney's office has done. I don't know about hiring a
19 private attorney. I -- I am not aware of that. I am aware of
20 a bankruptcy proceeding that has -- I looked at the docket
21 yesterday, and it has more than 900 docket entries in the
22 bankruptcy proceeding. It is an extensive -- it's obviously a
23 -- the debtors are in bankruptcy. It's a huge financial maze
24 to untangle. I know there are lawyers for the company, there
25 are forensic accountants who are helping untangle it. There

1 of forfeiture that Your Honor signed, will have the ability to
2 continue to litigate, find, and investigate sources of money
3 that might be traceable to this crime. So that doesn't end
4 today.

5 And if we were to learn anything -- which, at this point,
6 we don't have anything, we don't have any leads to follow. But
7 if we were to learn that any other money was traceable to this
8 crime, we'd have the tools and the ability to go after it.

9 THE COURT: When I signed the order of forfeiture, of
10 course, I recognized that ordinarily a forfeiture is
11 applicable when the government has something in hand, and is
12 simply asking the Court to give it to the government, and not
13 back to the defendant. In this instance, you don't have that
14 money in hand.

15 Now, a certain amount of money, at least as presented in
16 the papers that I've received -- and I at the moment don't have
17 they reason to doubt it -- has been collected. About \$8,200,
18 as I understand. The properties that were sold -- I mean
19 \$8,000,200. So 6 million, 600, plus another million, six, you
20 can't count as bond.

21 Someone asked me in one of the letters, how'd he get the
22 money to pay a bondsman to -- you know, to put up a \$500,000
23 bond? Well, he didn't put up a dime, because it wasn't a real
24 bond. It was an unsecured bond. Really, the equivalent of
25 getting out on your own recognizance. It's not secured by

1 looking at said it was unsecured.

2 So if he did it put up a cash bond, in other words,
3 \$500,000, when he ultimately surrenders to begin whatever term
4 is ordered and that bond is exonerated, you're saying he signed
5 that over to the government?

6 MR. FARNHAM: No, Your Honor. He has agreed to you
7 pay that to the company.

8 THE COURT: To the company.

9 MR. FARNHAM: And I intend to make sure that that
10 happens. But that's --

11 THE COURT: What do you mean by "the company"? The
12 bankruptcy estate?

13 MR. FARNHAM: Yes.

14 THE COURT: I mean the company --

15 MR. FARNHAM: I'm not a party to that agreement, but
16 I believe that's the agreement.

17 THE COURT: Well, then they're not going to get any
18 money on the dollar, because there are all these secured
19 creditors before you get to these folks, in the bankruptcy.
20 It's not a Chapter 13; it's a Chapter 11, as I understand it.
21 And the companies are continuing to run in some way, but I
22 don't know how. And I did receive some letters from lawyers
23 who are involved in running the company who have been put into
24 place by the Bankruptcy Court.

25 But -- okay, all right. Well, then, that's \$500,000 that,

1 anything.

2 There was no bail bondsman who had to take, for example,
3 \$50,000 to put up a \$500,000 bond. No cash bond was put up.
4 So he is not -- that money nobody can say they're getting back
5 for you, because he didn't put it up.

6 MR. FARNHAM: Your Honor, let me correct something
7 there. I apologize if this -- we didn't make this clear
8 previously. Mr. Wallach did post a \$500,000 bond.

9 THE COURT: Unsecured.

10 MR. FARNHAM: It was secured. I believe that that
11 money --

12 THE COURT: Not on the record I have.

13 MR. FARNHAM: I'm sorry?

14 THE COURT: Not on the record that I was given. All
15 right, you're telling me it is secured? By what?

16 MR. FARNHAM: \$500,000 was posted at bail on his
17 arrest. That -- I believe that money is probably proceeds
18 from the fraud. It was probably still money that he took from
19 PFI --

20 THE COURT: You're saying he put up \$500,000? In
21 cash?

22 MR. FARNHAM: Yes. That -- that has been pledged,
23 though. He has promised to pay that to the debtor, back to
24 the company, when that bond is released.

25 THE COURT: I was not apprised of that. What I was

1 \$26 million went, and there was only a little bit left, and the
2 rest was all paid out to people you couldn't get it back from.
3 Right?

4 It just seems like, you know, where's the money?

5 MR. FARNHAM: So approximately \$15 million of it was
6 used for the investment, a land investment in Texas.

7 THE COURT: That much went into the Texas investment.

8 MR. FARNHAM: Yes. That's both the investment;
9 that's payment to lawyers and accountants, as Mr. Wallach was
10 trying to keep it going.

11 THE COURT: Uh-huh.

12 MR. FARNHAM: But we totaled up about 15 million that
13 went to that endeavor. That project.

14 THE COURT: What happened to it, ultimately, the
15 Texas investment?

16 MR. FARNHAM: Um, I believe -- Your Honor, I don't
17 know. I don't know there's much value there. But the
18 bankruptcy estate was going to be pursuing that, and
19 Mr. Wallach has been cooperating with them, to see if there
20 are any assets that are recoverable there, to be turned over
21 the company.

22 THE COURT: The investment was made in the name of
23 one of the companies, and not him?

24 MR. FARNHAM: No, it was not -- it was not in the
25 name of PFI. It was in the name of Mr. Wallach or companies

1 he formed.

2 THE COURT: He has his own personal bankruptcy?

3 MR. FARNHAM: Not that I'm aware of.

4 THE COURT: That's what I thought. So why is this in
5 the bankruptcy now?

6 MR. SWANSON: Your Honor, it's in the PISF/PFI
7 bankruptcy. The interests were transferred to them as part of
8 their request to have any interest that he had transferred to
9 them. It's not his bankruptcy. It's -- it's the same
10 bankruptcy Your Honor's been talking about.

11 THE COURT: Are you saying the trustee of that
12 bankruptcy wanted the money given into the bankruptcy estate?

13 MR. SWANSON: They wanted to have any assets that
14 could be recovered from that investment and transferred --
15 assigned to them, so they would move forward in trying to
16 collect that.

17 THE COURT: Are they -- hm. Well, I don't know if
18 they would have priority, since -- you know. Well, anyway, I
19 don't have a comment about that at the moment.

20 Okay so 15 million is essentially either lost, or to the
21 extent it has value, it's gone into the bankruptcy estate.

22 Then you have the -- what you -- you kind of had left,
23 which almost is what comes up to the 26 million. Various
24 investments that were made with that money, like into a -- real
25 property that you got back? Or -- I don't know.

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